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STATE 151900

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IN 0 01-01 AM-10 ARA-16 ECR-25 NEA-10 ACP-00 INT-09
ADM-00 AID-20 CIA-00 COME-00 FRB-02 INR-10 NSAN-00
IS-01 1455-00 AM-07 CPIC-12 CIEP-02 LAB-06 SIL-01
DM-01 1451-10 SS-15 STR-08 CEA-02 L-03 H-03 RM-07
DOD-00 PA-03 USIA-15 PRS-01 1212 R

DRAFTED BY ES/CRF/FSEGBBROWN:US
DATE 73 EAT 20681
APPROVED BY ES/CRF/FSEGBBENNSKY
AGENT: MR. SLAKE
CORR: MR. TARRANT
120980

0 2 01514Z AUG 73
FM STATE WASHDC
TO AMEMBASSY TRIPOLI PRIORITY
INFO AMEMBASSY LONDON
INFO AMEMBASSY PARIS
AMEMBASSY BERN
AMEMBASSY THE HAGUE
AMEMBASSY ROME
AMEMBASSY ATHENS
AMEMBASSY BRASILIA
AMEMBASSY BEIRUT
AMEMBASSY CAIRO
AMEMBASSY ALGIERS

STATE 151900

11652 JDS
TAGS: ENRS

SUBJECT: PETROLEUM: NEW LIBYAN DEADLINE

1. WE HAVE BEEN INFORMED BY OIL COMPANIES HERE THAT OASIS
AND OCCIDENTAL NEGOTIATORS UNEXPECTEDLY REQUESTED BY LARY
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DEPARTMENT OF STATE A/CDC/MR	
REVIEWED BY <u>CG</u>	DATE <u>12/17/82</u>
RDS ☐ for ED ☐ <u>FILE</u>	
TS ADJ. <u>10/1/82</u>	
ENR ☐ <u>10/1/82</u>	
DECLASSIFIED ☒ UNCLASSIFIED ☒	
RELEASE DETERMINED ☐	
PA or FOI EXEMPTIONS <u> </u>	

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TO RETURN FOR MEETING 4/11 WITH P.M. CALUD. CALUD
OASIS NEGOTIATORS THAT PREVIOUS NEGOTIATIONS AND
COMPANY PROPOSALS UNSATISFACTORY, AND THAT LARG NOT TO BE
DUE TO FROM ITS DEMANDS OF 51 PARTICIPATION,
CONCENTRATION AT NET WORK VALUE, AND BUY-BACK OF OIL AT
WAS IT PRICE (WHICH, ACCORDING TO CALUD, WOULD BE 36 PER
BARREL).

2. CALUD TOLD COMPANY NEGOTIATORS THAT THEY HAD UNTIL
MAY 15 TO ACCEPT LARG DEMANDS; IF NOT, LARG WAS STUDYING
WHETHER TO TAKE 51 OWNERSHIP BY LEGISLATIVE MEANS, OR TO
NATIONALIZE COMPLETELY. COMPANIES APPEAR TO BELIEVE THAT
THIS TIME LARG NOT BLUFFING AND DEADLINE MUST BE TAKEN
SERIOUSLY. SPECIAL LIBYAN GROUP WILL BE MEETING IN LONDON
EVER NEXT DAYS TO DETERMINE GROUP'S REACTION.

3. OASIS NEGOTIATORS

PRODUCTION ALLOWABLE WOULD BE LOWERED TO 267 THOUSAND
BARRELS PER DAY (FROM PRESENT 800 PLUS). ON BASIS LIBYAN
HINTS, OASIS TEAM HAS WRITTEN LETTER TO OIL MINISTRY
SAYING THEY WILL "SERIOUSLY CONSIDER" LARG DEMAND AND ARE
PREPARED TO NEGOTIATE; THEY HOPE THAT THIS WILL ENABLE
LARG TO DELAY IMPOSITION OF REDUCED ALLOWABLES ALTHOUGH
SITUATION REMAINS UNCLEAR.

4. WE BELIEVE THAT SITUATION FINALLY MOVING TO HEAD AND
THAT LARG MAY INDEED BE PREPARED TO LEGISLATE AGAINST
COMPANIES, PARTICULARLY IN VIEW OF APPARENT LARG
EVIDENCE THAT IT CAN SELL NATIONALIZED OIL. WE
CONSIDERING WHAT STEPS US CAN TAKE AND MAY WANT TO CONSULT
BILATERALLY WITH OTHER CONSUMER GOVERNMENTS IN NEAR FUTURE.

5. FOR LONDON: PLEASE STAY CLOSE TO LONDON GROUP AND
KEEP US INFORMED OF COMPANY THINKING. ROGERS

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